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C O N F I D E N T I A L SECTION 01 OF 02 TOKYO 000344

SIPDIS

E.O. 12958: DECL: 02/13/2017 TAGS: <u>PREL ETRD EAID JA BU</u>

SUBJECT: BULGARIAN PRESIDENT CONFIRMS COORDINATION WITH

JAPAN ON BLACK SEA STRATEGY

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Classified By: Charge d' Affaires, a.i. James P. Zumwalt. Reasons 1.4 (B) (D)

11. (C) Summary. Bulgarian President Parvanov sought to establish "a new type of partnership" with Japan, one which would reflect Sophia's new-found status as a democratic member of the EU community, during a January 25-29 visit to Tokyo. A second major goal involved attempts to reduce the large bilateral trade imbalance by encouraging more Japanese companies to buy Bulgarian products. Japan and Bulgaria agreed to continued collaboration in the Black Sea region, including on the Black Sea Synergy and Black Sea Economic Cooperation (BSEC) efforts ) which both sides see as being key to the stability and development of the Western Balkan region. Prince and Princess Akishino plan a reciprocal visit to Bulgaria in May 2009. End Summary.

Double Anniversary Year

- 12. (C) President Parvanov's January 25-29 Tokyo visit, which marked the 50th anniversary of the re-establishment of diplomatic relations severed by World War II, began with a state call on the Emperor and Empress, who also hosted a luncheon for President and Mrs. Parvanov. Prince Akishino, designated Honorary President of the Friendship Year which commemorates the anniversary celebrations, joined the lunch. Prince and Princess Akishino plan a reciprocal visit to Bulgaria in May 2009.
- 13. (C) Parvanov's official visits included a 45-minute meeting with PM Taro Aso, talks with Diet Upper House Speaker Yohei Kono, Lower House leader Satsuki Eda, Japan business association Keidanran chairman Fujio Mitarai, and lunch with over 100 Japanese companies at the Imperial Hotel. Parvanov's visit concluded with a trip to the Toppan Printing Company, which sponsored a museum exhibition of posters showing individual letters of the Cyrillic alphabet created by various artists, and a sightseeing tour of Kyoto. Bulgarian Deputy Prime Minister/Foreign Minister Ivailo Kalfin and Environment Minister Djevdet Chakurov, who accompanied the President, held separate bilateral consultations with Japanese counterparts FM Hirofumi Nakasone and EM Tetsuo Saito.

Trade Imbalance

14. (C) Bulgarian Embassy Political Minister Vera Stefanova said a main goal of President Parvanov's visit was to correct the large bilateral trade imbalance by encouraging more Japanese companies to buy Bulgarian products. Leading Bulgarian exports include wine and rose oil, which Stefanova said serves as a major ingredient in perfume, soap, cosmetics, and "aroma therapy." Overall trade amounted to \$154 million, of which only \$36 million came from Bulgarian exports. Stefanova noted, however, Bulgaria and Japan did not sign any new economic or trade deals during the trip.

New Stage of Development

- ¶5. (C) Bulgaria and Japan have "no political problems to resolve," but are "looking for a new type of partnership" which reflects "Bulgaria's new status as a democratic society with an emerging market economy, and EU membership," Stefanova reported. Tokyo, she continued, served as a major donor to Sophia during Bulgaria's transition to a market economy and democracy, having extended billions in yen loans for infrastructure projects such as the subway expansion and development of a major Black Sea port. JICA, Japan's development assistance agency, sends volunteers to teach Japanese and to serve as IT engineers, Stefanova said.
- 16. (C) The Bulgarian diplomat asserted the two countries had entered a "new stage of development," in which Tokyo would no longer provide donor aid to Bulgaria ) a step to be formalized in March when JICA closes its Sophia projects and ends development assistance. As a result of Bulgaria's successful climb to EU membership, Sophia looks to participate with Japan as an equal in donor projects and

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hopes to cooperate with Tokyo on development assistance. Stefanova admitted, however, that Bulgaria has little expertise and capacity in carrying out such programs and hopes for Japan's assistance in capacity building.

Black Sea Cooperation

- 17. (C) Stefanova and MOFA Central and Southeastern Europe Division Principal Deputy Director Yuichi Oba agreed there were several promising areas for continuing and future collaboration. In the Black Sea region, both noted Japan's interest in the Black Sea Synergy and Black Sea Economic Cooperation (BSEC) efforts. In a joint press release, the two sides "noted with satisfaction the concurrence of their positions on the situation in the Western Balkan region that the stability and development of the region are the key to the stability and prosperity of the whole South Eastern Europe." Stefanova opined that Japan views Bulgaria, as well its improving ties with the three other Danube countries Austria, Hungary, and Romania, as falling within Tokyo's "Arc of Freedom and Prosperity," ) the overarching world-view policy doctrine which then FM Aso articulated as a member of former PM Shintaro Abe's Cabinet.
- 18. (C) On climate change, Oba and Stefanova pointed to their nations' agreement to cooperate on climate change in accordance with a bilateral Memorandum of Cooperation, signed under the Kyoto Protocol, in the run-up to the 15th COP in December 2009. The joint press release noted Bulgaria's support for Japan's permanent membership in the UN Security Council. Aso also received Parvanov's support for Tokyo's efforts to resolve the abduction issue with North Korea. ZUMWALT